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FILED
U.S. DISTRICT COURT

2005 AUG -4 P 4:19

DISTRICT OF UTAH

BY: DEPUTY CLERK

Attorneys for Teresa Wasson and Wasson Enterprises, LLC

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

**TERESA WASSON, an individual, and
WASSON ENTERPRISES, LLC, a Georgia
Limited Liability Company,**

Plaintiffs,

vs.

**AMERICAN EAGLE INVESTMENT
COMPANY, LLC, a Utah limited liability
company, CLARK R. POWELL, an
individual, and DOUGLAS A. McCLAIN,
an individual,**

Defendants.

COMPLAINT

Judge Tena Campbell
DECK TYPE: Civil
DATE STAMP: 08/04/2005 @ 16:22:42
CASE NUMBER: 2:05CV00655 TC

Plaintiffs Teresa Wasson ("Wasson") and Wasson Enterprises, LLC ("Wasson Enterprises") hereby complain of Defendants American Eagle Investment Company, LLC ("American"), Clark R. Powell ("Powell"), and Douglas A. McClain ("McClain") as follows:

1. Wasson is an individual resident of Atlanta, Georgia.
2. Wasson Enterprises is a Georgia limited liability company.

3. Defendant American is a Utah limited liability company doing business in the State of Utah.

4. Upon information and belief, Defendant Powell is an individual residing in Cedar City, Utah.

5. Upon information and belief, Defendant McClain is an individual residing in Utah.

JURISDICTION AND VENUE

6. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332. There is diversity of citizenship between the parties and the amount of controversy exceeds \$75,000, exclusive of costs and interest.

7. Venue is proper in this Court pursuant to 28 U.S.C. § 1391.

GENERAL ALLEGATIONS

8. By written Agreement dated March 26, 2005, Wasson and Wasson Enterprises loaned \$500,000 to American (the "Agreement") (See copy of the Agreement attached hereto as Exhibit "A" and incorporated herein by reference).

9. Pursuant to the Agreement, Wasson and Wasson Enterprises wire transferred \$500,000 to First American Title Insurance Company to be used by American.

10. American promised to repay the \$500,000 to Wasson and Wasson Enterprises together with a consulting fee of \$76,000 no later than April 13, 2005.

11. The loan was personally guaranteed by Powell.

12. The Agreement further provided that the loan was to be secured by 343,053 shares of Composite Technology Corporation ("CPTC") stock which had a value of \$1,000,000 as of March 24, 2005.

13. The CPTC stock was to be held in trust by McClain for the benefit of Wasson and Wasson Enterprises in the event that the loan was not repaid.

14. Subsequently, on or about April 15, 2005, Wasson and Wasson Enterprises loaned an additional \$86,000.00 to American.

15. Despite numerous demands, American, Powell, and McClain have failed and/or refused to repay the \$662,000.00 due and owing or to provide Plaintiffs with the CPTC stock that was to be held as collateral for repayment of the loan.

16. Upon information and belief, the CPTC stock was never held in trust for the benefit of Wasson and Wasson Enterprises.

FIRST CLAIM FOR RELIEF
(Breach of Contract)

17. Plaintiffs incorporate by reference the allegations in the preceding paragraphs of this Complaint as if fully set forth hereat.

18. Plaintiffs entered into a valid and enforceable contract with American, Powell, and McClain whereby Defendants were to repay \$576,000.00 to Wasson and Wasson Enterprises no later than April 13, 2005.

19. Plaintiffs entered into a second agreement whereby Defendants agreed to repay an additional \$86,000.00 that Plaintiffs loaned to Defendants.

20. Defendants materially breached these Agreements by failing and refusing to repay the money due and owing and by failing and refusing to provide the CPTC stock to plaintiffs.

21. By reason of Defendants' material breaches of the Agreements, Plaintiffs have been damaged in an amount of not less than \$662,000.00 together with prejudgment interest; attorneys' fees and costs.

SECOND CLAIM FOR RELIEF
(Breach of Implied Duty of Good Faith and Fair Dealing)

22. Plaintiffs incorporate by reference the allegations in the preceding paragraphs of this Complaint as if fully set forth hereat.

23. Plaintiffs and Defendants entered into valid and enforceable agreements. The agreement contained an implied covenant of good faith and fair dealing.

24. Defendants breached their duties of good faith and fair dealing by, among other things, failing and/or refusing to repay the money due and owing pursuant to the Agreements, and by failing to provide the CPTC stock to Plaintiffs.

25. By reason of Defendants breach of the covenant of good faith and fair dealing, Plaintiffs have been damaged in an amount of not less than \$662,000.00 together with prejudgment interest, attorneys' fees , and costs.

THIRD CLAIM FOR RELIEF
(Breach of Fiduciary Duty)

26. Plaintiffs hereby incorporate by reference the allegations of the preceding paragraphs of this Complaint as if fully set forth hereat.

27. Pursuant to the Agreement, 343,053 shares of CPTC stock was to be held in trust by McClain for Plaintiffs' benefit as collateral in the event that American and Powell failed to repay their obligations pursuant to the Agreement.

28. As Trustee, McClain owed Plaintiffs a fiduciary duty to hold the CPTC stock as collateral and to provide the CPTC stock to Plaintiffs in the event the Defendants failed to repay their obligations under the Agreement.

29. McClain breached his fiduciary duty by, among other things, failing to hold the CPTC stock as collateral and to provide the stock to Plaintiffs to satisfy the amount due and owing under the Agreement.

30. By reason of McClain's breach of his fiduciary duties, Plaintiffs have been damaged in an amount to be determined at trial.

31. McClain's actions are the result of willful and malicious conduct or conduct that manifests a knowing and reckless indifference toward, and disregard of the rights of Plaintiffs. Accordingly, Plaintiffs are entitled to punitive damages.

FOURTH CLAIM FOR RELIEF
(Unjust Enrichment/Quantum Meruit)

32. Plaintiffs hereby incorporate by reference the allegations of the preceding paragraphs of this Complaint as if fully set forth hereat.

33. Plaintiffs conferred a benefit upon Defendants by, among other things, loaning them money and by providing consulting services.

34. Defendants appreciated and had knowledge of the benefits conferred upon them by Plaintiffs.

35. The retention and acceptance of these benefits by Defendants under the circumstances would be inequitable without payment of their value.

36. By reason of Defendants' unjust enrichment, Plaintiffs are entitled to damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION
(Money Had And Received)

37. Plaintiffs incorporate by reference the allegations of the preceding paragraphs of the Complaint as if fully set forth hereat.

38. Defendants obtained and received \$586,000.00 from Plaintiffs.

39. The money received by Defendants should, in equity and good conscience, be returned to Plaintiffs.

40. Accordingly, Plaintiffs are entitled to the return of the money they loaned to Defendants together with Prejudgment interest, attorney's fees, and costs, and such other relief as the Court deems just in the premises.

SIXTH CAUSE OF ACTION
(Conversion)

41. Plaintiffs incorporate by reference the allegations in the preceding paragraphs of this Complaint as if fully set forth hereat.

42. Defendants have assumed exercise and control over the CPTC stock and the money loaned to Defendants without Plaintiffs' authority.

43. The CPTC stock and money rightfully belong to Plaintiffs.

44. Defendants unauthorized and wrongful exercise of dominion and control over the CPTC stock and loan proceeds to the exclusion of or inconsistent with the rights of Plaintiffs constitutes a conversion.

45. By reason of Defendants' conversion, Plaintiffs have been damaged in an amount to be determined at trial.

46. Defendants' unlawful dominion and control over the CPTC stock and loan proceeds are the result of willful and malicious conduct, or conduct that manifests a knowing and reckless indifference toward, and disregard of the rights of Plaintiffs. Accordingly, Plaintiffs are entitled to punitive damages.

SEVENTH CAUSE OF ACTION
(Accounting)

47. Plaintiffs incorporate by reference the allegations in the preceding paragraphs of this Complaint as if fully set forth hereat.

48. McClain owed Plaintiffs a fiduciary duty to hold the CPTC stock as collateral for the repayment of the loan.

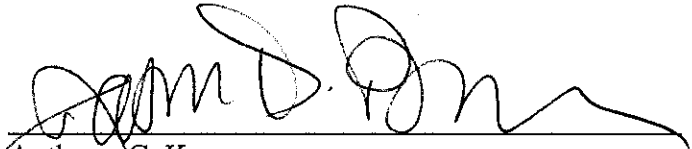
49. Defendants have failed and refused to provide the CPTC stock for repayment of the loan.

50. Defendants should be required to make an accounting of the CPTC stock and the loan proceeds.

WHEREFORE, Plaintiffs pray for Judgment against Defendants as follows:

- A. For judgment in an amount of not less than \$662,000.00 together with prejudgment interest;
- B. For attorney's fees and costs in bringing this suit;
- C. For such further relief as the Court deems just and proper in the premises;
- D. For punitive damages in an amount to be determined at trial;
- E. For an injunction precluding Defendants from transferring the CPTC stock to anyone other than Plaintiffs.

DATED this 4th day of August 2005.

A handwritten signature in black ink, appearing to read "Jason D. Boren", written over a horizontal line.

Anthony C. Kaye
Jason D. Boren
BALLARD SPAHR ANDREWS & INGERSOLL, LLP
Attorneys for Plaintiff Teresa Wasson and Wasson
Enterprises, LLC

Plaintiffs' Address

Teresa Wasson
Wasson Enterprises
3655 Roswell Road
Suite 202
Atlanta, GA 30342

CIVIL COVER SHEET

VERSION FOR USE IN U.S. DISTRICT COURT FOR THE DISTRICT OF UTAH

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS.)

I. (a) PLAINTIFF(S) Please list and number each plaintiff. <ol style="list-style-type: none"> 1. Teresa Wasson 2. Wasson Enterprises, LLC 3. 4. 5. 6. (b) County of Residence of First Listed Plaintiff: _____ (EXCEPT IN U.S. PLAINTIFF CASES)		<div style="text-align: right; font-weight: bold;">FILED</div> <div style="text-align: right; font-weight: bold;">2005 AUG -11 P 4:19</div> (c) ATTORNEY(S) [Firm name, Address, Telephone and Fax Number(s)] <p>Anthony C. Kaye DISTRICT OF UTAH Jason D. Boren Ballard Spahr Andrews & Ingersoll, LLP One Utah Center, Suite 600 201 South Main Street Salt Lake City, Utah 84111-2221 Telephone: (801) 531-3000 Facsimile: (801) 531-30011</p>																													
(a) DEFENDANT(S) Please list and number each defendant. <ol style="list-style-type: none"> 1. American Eagle Investment Company, LLC 2. Clark R. Powell 3. Douglas A. McClain 4. 5. 6. (b) County of Residence of First Listed Defendant: _____ NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.		(c) ATTORNEY(S) [Firm name, Address, Telephone and Fax Number(s)]																													
II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX ONLY) <table style="width: 100%;"> <tr> <td><input type="checkbox"/> 1 U.S. Government Plaintiff</td> <td><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</td> </tr> <tr> <td><input type="checkbox"/> 2 U.S. Government Defendant</td> <td><input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</td> </tr> </table>		<input type="checkbox"/> 1 U.S. Government Plaintiff	<input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)	<input type="checkbox"/> 2 U.S. Government Defendant	<input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT) (FOR DIVERSITY CASES ONLY) <table style="width: 100%;"> <thead> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> </thead> <tbody> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input checked="" type="checkbox"/> 1</td> <td>Incorporated or Principal of Business in this State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input checked="" type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal of Business in Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </tbody> </table>			PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input checked="" type="checkbox"/> 1	Incorporated or Principal of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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V. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write brief statement of cause. Do not cite jurisdictional statutes unless diversity.)																															
VI. REQUESTED IN COMPLAINT		<input type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23																													
VII. RELATED CASE(S) IF ANY (See Instructions)		JUDGE:																													
DEMAND \$in excess of \$662,000.00		CHECK YES only if demanded in complaint: JURY DEMAND: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																													

Judge Tena Campbell

DECK TYPE: Civil

DATE STAMP: 08/04/2005 @ 16:22:42

CASE NUMBER: 2:05CV00655 TC

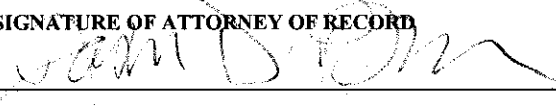
IV. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)					
CONTRACT	TORTS		FORFEITURE / PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input checked="" type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 660 Occupational Safety / Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce / ICC Rates, etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities / Commodities / Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing / Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor / Mgmt. Relations <input type="checkbox"/> 730 Labor / Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC / DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7609

IX. STATE COURT REMOVALS:

(a) List any parties which are no longer pending:

(b) List any pending motions and date filed. If responses or replies have been filed, indicate the date filed.

MOTION FILED	RESPONSE / DATE FILED	REPLY / DATE FILED
1.		
2.		
3.		
4.		

DATE 8/4/05	SIGNATURE OF ATTORNEY OF RECORD 
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FOR OFFICE USE ONLY

RECEIPT # _____	AMOUNT _____	APPLYING IFP _____	JUDGE _____	MAG. JUDGE _____
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